

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

REVIEW REPORT
OF
DEPARTMENT OF AGRICULTURE
STATE OF INDIANA
April 26, 2005 to March 31, 2007



FILED
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AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Andrew J. Miller	01-10-05 to 01-11-09
Secretary	Honorable Becky Skillman	01-10-05 to 01-11-09



STATE OF INDIANA

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE DEPARTMENT OF AGRICULTURE

We have reviewed the receipts, disbursements, and assets of the Department of Agriculture for the period of April 26, 2005 to March 31, 2007. The Department of Agriculture's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the Department of Agriculture are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations except as stated in the review comments.

STATE BOARD OF ACCOUNTS

May 24, 2007

DEPARTMENT OF AGRICULTURE
REVIEW COMMENTS
MARCH 31, 2007

DEPARTMENT OF AGRICULTURE CREATED

Effective April 25, 2005, P.L. 83-2005 abolished the Office of the Commissioner of Agriculture and transferred its duties and functions to the newly created Department of Agriculture. Also, the Indiana Grain Buyers and Warehouse Licensing Agency was incorporated by legislation as a function within the Department of Agriculture. The Indiana Grain Buyers and Warehouse Licensing Agency was included within the scope of the review of the Department of Agriculture.

SDO FUND RECONCILIATIONS

The Department of Agriculture has not performed reconciliations of its Special Disbursing Officer (SDO) advance in a timely manner.

Two reconciliations must be performed for the SDO fund each month. The bank statement for the checking account must be reconciled to the check register. Also, the check register must be balanced to the total SDO advance. These reconciliations must be formally documented. The SDO officer is personally liable to the state for any amounts expended in any manner not in accordance with statute, the authorization, and policies issued by the Department of Administration and those in this manual. Accordingly, the SDO officer may be held personally responsible for the amount needed to balance the fund or for amounts improperly expended. (Accounting and Uniform Compliance Guidelines Manual for State Agencies Chapter 7)

FIXED ASSET INVENTORY

The fixed asset inventory of the Department of Agriculture is not complete as to additions and retirements and assets have not been consistently tagged upon receipt.

Assets costing more than \$500 but less than \$20,000 must be maintained on an asset control system at the agency. Assets at the minimum level of \$500 should be tagged upon receipt. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 10)

DEPARTMENT OF AGRICULTURE
EXIT CONFERENCE

The contents of this report were discussed on June 26, 2007, with Andrew J. Miller, Director; and Melissa Acton, Assistant Director/Operations. The officials concurred with our findings.